XR Pet 14 LIBYA

Department of State TELEGRAM

DECLASSIFIED EXCISE

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6-12-11 Report 1082

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ACTION AF-19

INFO OCT-01 EUR-20 CIAE-00 DODE-00 PM-05 H-02 INR-08 L-04
NSAE-00 NSC-10 P-03 RSC-01 PRS-01 SS-20 USIA-12 E-15
INT-06 TRSE-00 TRSY-11 OEP-01 COM-08 RSR-01 /148 W
099952

R 121536Z JUN 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 7771
INFO USINT ALGIERS
AMEMBASSY BENGHAZI
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY PARIS
AMEMBASSY ROME

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [redacted] DATE 6/22/11
PORTIONS DENIED AS INDICATED

C O N F I D E N T I A L TRIPOLI 1082

SUBJECT : LIBYAN LNG SALES TO ITALY

1043 Pet 6 Libya, Pet 15-1 Libya, Pol 23 Libya

REFERENCE: TRIPOLI 1041 Pet 6 Libya

1. EMBASSY HAS LEARNED [redacted] COUNCIL OF MINISTERS CONVENED TO DISCUSS APPROVAL OF REVISED AGREEMENT [redacted] ON PRICING OF LNG EXPORTS TO ITALY IMMEDIATELY UPON RETURN JUNE 9 OF MINPET MABRUK FROM OAPEC MEETING IN KUWAIT [redacted] B4

[redacted] B4

2. [redacted] B4

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[redacted]

3. ITALIAN EMBASSY TELLS US THAT DIRGEN ECONOMIC AFFAIRS AT ITALIAN FOREIGN MINISTRY, SORRO, IS EXPECTED TO VISIT TRIPOLI AFTER ACCOMPANYING GOI FORMIN MORRO TO ALGIERS JUNE 14-16. WE ASSUME LNG PRICING WILL BE AMONT MATTERS TO BE DISCUSSED WITH LARG.

4. [redacted] AMOUNT PRICE ESCALATION WOULD ADD TO LNG PRICE, BUT EMBASSY HAS LEARNED THAT 22 PER CENT OF TOTAL PRICE IS SUBJECT TO ESCALATION, BASED UPON FOLLOWING INDICES: A) 6 PER CENT ON UK WAGE INDEX, B) 6 PER CENT ON ITALIAN WAGE INDEX, C) 10 PER CENT ON U.S. INDUSTRIAL PRICE INDEX. GP-4.
PALMER

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